

## Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 00605 211746Z

10

ACTION EUR-12

INFO OCT-01 ISO-00 EA-07 AID-05 CEA-01 CIAE-00 COME-00

EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04

TRSE-00 LAB-04 SIL-01 SAM-01 OMB-01 L-03 INT-05 OES-03

TAR-01 PRS-01 /070 W

----- 079196

R 211656Z JAN 76

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 344

INFO ALL EC CAPITALS 1570

LIMITED OFFICIAL USE EC BRUSSELS 00605

E.O. 11652: NA

TAGS: EIND ETRD EEC

SUBJECT: EC STEEL POLICY--MINIMUM PRICES

REF: EC BRUSSELS 532

1. ON JAN. 19 THE CONSULTATIVE COMMITTEE OF THE EUROPEAN COAL AND STEEL COMMUNITY (ECSC) ADOPTED A RESOLUTION FAVORING THE INTRODUCTION OF MINIMUM STEEL PRICES UNDER ART. 61(B) OF THE PARIS TREATY. THE VOTE WAS 31 FOR , 22 AGAINST WITH 9 ABSTENTIONS. THE ENTIRE FRENCH DELEGATION (STEEL PRODUCERS, USERS, UNION REPRESENTATIVES) VOTED FOR THE APPLICATION OF ART. 61 WHILE THE GERMAN DELEGATION WAS SOLIDLY AGAINST IT. THE BRITISH, WE UNDERSTAND, ABSTAINED. THERE WAS UNANIMITY ON A PART OF THE RESOLUTION STATING THAT THE PROPOSAL FOR MINIMUM PRICES WAS LATE IN COMING AND BEING MADE AT A TIME WHEN PRICES WERE BEGINNING TO PICK UP. THERE WAS ALSO AGREEMENT THAT APPLICATION OF THE PROPOSAL RAISED A SERIES OF PRACTICAL PROBLEMS, E.G. LACK OF FLEXIBILITY, DIFFICULTY OF ENFORCEMENT, ETC. ACCORDING TO THE PRESS THE GERMANS CLAIMED (A) THE PARAMETERS THE COMMISSION PROPOSED TO USE TO SET PRICE LEVELS WOULD

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 00605 211746Z

RESULT IN VIOLATIONS OF THE PARIS TREATY BECAUSE THEY

DID NOT COVER ALL AMORTIZATION AND INTERESTS ON CAPITAL REQUIRED UNDER THE TREATY, (B) THE MINIMUM PRICES WOULD BE TAKEN BY PRODUCERS AS MAXIMUM PRICES EVEN IF THE MARKET IMPROVED, (C) MINIMUM PRICES COULD NOT BE DEFENDED WITHOUT MEASURES TO PROTECT AGAINST IMPORTS SELLING AT LOWER PRICES THAN EC STEEL.

2. WE ASKED EC STEEL DIRECTOR PETRICK IF THE COMMISSION COULD TAKE MEASURES AS SIGNIFICANT AND COMPLICATED AS FIXING MINIMUM PRICES AFTER THE SPLIT IN THE VOTING IN THE CONSULTATIVE COMMITTEE. PETRICK MINIMIZED THE CLOSENESS OF THE VOTE BY NOTING THAT THE BRITISH ABSTAINED BECAUSE THEY WERE WAITING TO SEE WHERE PRICES WOULD BE SET. HE SAID THAT IF THEY FOUND PRICES SATISFACTORY (SUFFICIENTLY HIGH, WE PRESUME) THE BRITISH WOULD AGREE TO THE COMMISSION FIXING MINIMUM PRICES.

3. COMMENT: DESPITE PETRICK'S APPARENT CONVICTION THAT MINIMUM PRICES ARE NECESSARY, THE SPLIT IN THE CONSULTATIVE COMMITTEE WHICH IS LIKELY TO BE REFLECTED IN THE EC COUNCIL CONSULTATIONS IN FEB. (SEE REFTEL) WILL CERTAINLY MAKE A COMMISSION DECISION TO APPLY ART. 61 VERY HARD INDEED. CONSTITUTIONAL AND TECHNICAL OBJECTIONS BY THE GERMANS AND A REQUEST BY THE CONSULTATIVE COMMITTEE TO BE CONSULTED ON THE MODALITIES OF FIXING PRICES AS WELL AS PRICE LEVELS (SEE REFTEL), COULD PUSH OFF THE FINAL DECISION TO MARCH AND ALLOW MORE TIME FOR A STRONGER UPTURN IN PRICES.  
GREENWALD

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, STEELS, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976ECBRU00605  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760024-0018  
**From:** EC BRUSSELS  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760136/aaaabfat.tel  
**Line Count:** 90  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 EC BRUSSELS 532  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 26 MAR 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <26 MAR 2004 by izenbei0>; APPROVED <12 MAY 2004 by morefirh>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC STEEL POLICY--MINIMUM PRICES  
**TAGS:** EIND, ETRD, EEC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006